

A G E N D A

for

GEHA Board of Directors' Meeting

31 May 1956

2:00 P. M.

1. Announcement relative to the DD/S approving paying administrative overhead costs of the Agency's Insurance Program. This decision was prepared by the Office of General Counsel under date of 2 May 1956 and concurred in by Office of Comptroller, Director of Security and Assistant Deputy Director (Support) on 18 May 1956. ILLEGIB

2. Request concurrence for opening a new drive period for life and hospitalization plans as of 3 September 1956 lasting for one month at Headquarters and two (2) months overseas. This contemplates getting complete information, instructions and necessary applications and material out to all components at least one month prior to the initiating of the drives. *2. 17 8*

3. Discuss security implications involved in permitting Group Hospitalization, Inc. to operate drives in the future due to the following reasons:

(a) Obtain an increasing number of names in their own office files which is contrary to the administrative handling of all other GEHA benefit plans.

(b) The added administrative expense due to operating of two (2) separate hospitalization plans, particularly when there is only one truly best plan which is tailor-made for the true needs of our employees and which is flexible and may be modified and liberalized whenever our own Agency "experience rating" permits the same. This happens to be the situation at this time due to a considerable improved experience during the past nine (9) months in the period.

(c) We have no hope of improving the GHI hospitalization plan as they refuse to recognize our individual "experience rating" but rather throw us in the pot along with 600,000 Government employees. They also refuse to give us any figures as to the amount of our claim paid directly between the GHI Home Office and the various hospitals which they insist upon paying directly rather than through our own channels so far as all Class A claims are concerned.

*Security
to make
STAT
check
for difference
in GHI & actual*

4. Discussion as to improvements and liberalizations of the Mutual of Omaha hospitalization Master Contract, as recommended in a letter received from the Home Office of this company, dated 24 April 1956. Such liberalizations would become effective at the beginning of the next anticipated "Drive Period" which is anticipated for 3 September 1956. These recommended liberalizations in brief are as follows:

Hospitalization Contract

a. Increase daily room and board benefits for maternity cases from \$9.00 to \$10.00 per day up to 8 days.

b. Guarantee a minimum of \$60.00 per claim on each maternity confinement to the hospital.

c. Increase daily room and board benefits from \$13.50 per day to \$14.00 per day for all persons located in the United States.

d. Increase the length of stay in the hospital from up to 90 days to up to 180 days at a daily room and board benefit of \$14.00 per day while in the United States and pay \$9.00 per day up to 180 days for persons confined in overseas hospitals.

These above liberalizations will be offered at no increase in the present premium rates.

e. Mutual has also agreed, if we so desire, to expand and further liberalize their surgical schedule under our Master Contract so that it equals in all regards the surgical schedule of the Medical Service of the District of Columbia. Should this be desired, it could be accomplished for an increase of five cents per month over the present rate for a single employee and nineteen cents per month additional on the family contract covering employee and all dependents.

5. Request Board policy action relative to what shall be done with the 1954-1955 United Benefit Life Insurance Company dividend declared under the UBLIC Master Contract, totalling \$33,051.67. For example, is it wise to hold these dividends in escrow as a contingency reserve at least until we have received an accounting of this year's dividend which will be declared on 1 September 1956, three months hence; or should we possibly consider assigning part of this money toward creating a triple indemnity contract in the event of accidental death. In other words, instead of having a Class No. 5 contract of \$15,000.00 doubling to \$30,000.00 in the event of accidental death as is presently the case, we could consider using these dividends to purchase each policy holder an additional \$15,000.00 of accidental death under a Class 5 contract or an equivalent addition on the other classes, 1 to 4. This additional feature would cost eight cents per month per thousand of accidental death.

6. Request Board concurrence on adding the new revolutionary "Travel-Matic" policy to our present forms of coverage.

*see if you
off on chief certifying as to date*

7. Obtain Board action to restrict issuance of the Travel-Matic policy or Trip Air Flight Insurance to this Headquarters only since field employees can purchase the same at any MATS Air Base world-wide.

NO-

8. Request Board concurrence in generally restricting applications for Hospitalization and Life Insurance to drive periods only with the following exceptions:

- a. Available to new EOD's during first 60 days.
- b. Overseas returnees *& departees* during first 60 days.
- c. *Hospitalization within 60 days of marriage*
- d. May accept life insurance applications outside of drive period if accompanied by a complete new physical examination.

The above request is to avoid continuous unfair selection against insurance underwriting companies.

9. Board action to concur in the following:

To avoid very possible after-the-fact claims, require that all applications coming from overseas be certified to by a responsible person such as administrative officer or personnel officer as to completeness and accuracy of the content, and especially the date thereon, since it controls the exact time at which the contract becomes effective.

same as 7

10. Board action as to strict limitations on "Income Replacement" contract which, of necessity, is for preferred risks only in order to include both preferred physical risks, as well as preferred risks so far as hazards of occupation are concerned.

do administrative OK

11- Corest Associates

NO again

[] proposes BCD Not GEHA handle

10 up + Life Policies at Commercial Rates

Division notified this can be arranged

12- What happens when Corest Assoc is abolished by new Regulation & they become

CE's?